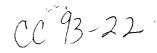
### EX PARTE OR LATE FILED





# Federal Communications Commission Washington, D.C. 20554

October 24, 1994

DOCKET FILE COPY ORIGINAL

RECEIVED

!UCT 2 4 1994

FEDERAL OCCUMENTATIONS COMMENCED

The Honorable Alan Wheat Member, House of Representatives 811 Grand Avenue, #935 Kansas City, Missouri 64106-1997

Dear Congressman Wheat:

This letter responds to your correspondence on behalf of Kenneth Paton regarding charges on his telephone bill and relating to information services provided on 800 numbers. Your letter, as well as the complaint of your constituent, has been referred to the Enforcement Division of the Common Carrier Bureau for review. The Enforcement Division will communicate with your constituent upon completion of its review.

The Telephone Disclosure and Dispute Resolution Act (TDDRA) was enacted by Congress in 1992 and required both the Federal Communications Commission and the Federal Trade Commission (FTC) to adopt rules governing the provision of pay-per-call services. Under the TDDRA, the FCC has jurisdiction over the telecommunications carriers involved in the transmission and billing of the telephone calls, while the Federal Trade Commission has jurisdiction over the information service companies themselves.

The TDDRA generally required pay-per-call services to be provided on 900 telephone numbers and generally prohibited the provision of these services on 800 numbers, except in instances where the caller has entered into a presubscription agreement or comparable arangement with the information service provider. Pursuant to the Commission's rules, which became effective on September 24, 1993, a presubscription agreement entails a formal contractual understanding whereby the consumer is provided clearly and conspicuously all terms and conditions associated with the use of the service and affirmatively agrees to abide by them.

The Commission has received numerous complaints similar to those described by your constituent. These complaints are processed by the Enforcement Division of the Common Carrier Bureau by serving a copy of the complaint upon the telecommunication carriers involved, who must generally respond in writing within 30 days. Beyond reviewing these

No. of Copies rec'd\_\_\_\_\_/ List A B C D E complaints and pursuing appropriate action to resolve them, the Commission has undertaken several efforts. First, Common Carrier Bureau staff has met with the carriers that provide the billing service for calls to 800 numbers as well as interexchange carriers who provide the 800 number transport to emphasize their obligations under the TDDRA and the rules of the Commission. Secondly, because the increase in the number of complaints has been so significant, we have started an investigation of these practices, with special focus on whether any companies have attempted to evade or violate our rules. Additionally, as part of the effort to make clear the carriers' responsibilities under the law, the Common Carrier Bureau has recently issued a ruling holding that the information provider's receipt of the originating telephone number, a practice that was serving as the premise of some charges, does not in itself constitute a presubscription agreement.

Moreover, on August 2, 1994, the Commission instituted a Notice of Proposed Rulemaking seeking to strengthen Commission rules to prevent abusive and unlawful practices under the TDDRA. Specifically, the Commission has sought public comment on a proposal to require that a presubscription agreement be established only with a legally competent individual and executed in writing, and that common carriers obtain evidence of the written agreement before issuing a telephone bill that contains charges for presubscribed information services. Under the proposed rules, these telephone bills could be addressed only to the individual who actually entered into the presubscription arrangement, not to the person or company whose telephone was used to place the call. The Commission has tentatively concluded that this and other proposed changes would significantly assist in eliminating the source of many consumer complaints. Enclosed is a summary of the Commission's action in this regard.

We appreciate receiving your correspondence. Please call upon us if we can provide any additional information.

Vahele) Hall

Kathleen M.H. Wallman

Chief

Common Carrier Bureau

Enclosure

ALAN WHEAT

MEMBER
COMMITTEE ON
RULES
SELECT COMMITTEE ON
HUNGER

# Congress of the United States

House of Representatives Washington, DC 20515-2505 2334 RAYBURN BUILDING WASHINGTON DC 20515-2505 (202) 225-4535

> 301 WEST LEXINGTON. #221 INDEPENDENCE MO 64050-3724 ( 833-4545

September 6, 1994

Ms. Judith Harris, Director Office of Legislative Affairs Federal Communications Commission Room 808 1919 M Street, N.W. Washington, D.C. 20554

Dear Ms. Harris:

Enclosed please find correspondence received from Mr. Kenneth L. Paton, Sr. regarding complaint # IC-94-07944 which he has filed with the Federal Communications Commission. Mr. Paton is concerned that some phone services are using 1-800 numbers to circumvent the required 1-900 numbers for these types of services.

Your review of this matter will be greatly appreciated. It was reply to my Kanana City office and thank you for your assistance.

Alan Wheat

Sincerely

Member of Congress

AW:jt

Specialists in Commercial & Legal Photography

425 West 68th Street • Kansas City, MO 64113 • 816-523-6100

August 26, 1994

#### VIA FAX TO 202-632-1411:

Federal Communications Commission cc: PRESIENT BILL CLINTON Att: Mr. Keith Nichlos Legal Counsel 2025 M. Street, N.W. Washington, D.C. 20554

The White House Via Fax 202-456-2461

w/ URGENT REQUEST

RE: SEX CALLS by my MINOR child FCC Comp# IC-94-07944 TC-94-04271

Dear Mr. Nichlos:

Pursuit to my fax letter dated August 23, 1994, and others, you have chosen NOT to respond.

A spokeman for the FCC, Mr. Richard Mctzger, stated on a NATIONAL television news program, that all 800 sex notwarks, and related business(s), were in violation of FCC rules, of which I was a party. WHY IS FCC NOT ACTING???

AT&T spokeman, Mr. Kenneth Sichau, stated that his company had taken immediate steps to stop this type of 800 operations. AT&T admitted problem, and pulled THE PLUGS!!

THEREFORE, why has not the FCC. taken immediate steps to force other LONG-DISTANCE-SEX-CARRIERS to stop 800 sex?

I'CC spokeman METZGER, says, (quote), "...it is a violation of FCC rules." I still see ads from WGN Chicago in KC, why?

Why has not M.C.I., and possibly SPRINT, made similar statements, as required by your FCC statement? Money maybe??

I am therefore, by cc of this complaint to President Clinton @ 202-456-2461, asking why the FCC has not stopped this SEX SCAM still on my TV, viewed by minor children?

COMEON, the FCC goofed, just admit it, and stop ALL sex 800 numbers being flashed across my TV screen. It is SO SIMPLE, just pully the plug on all the sex scammers!!! (and) force them to use the 900 excannges to SELL ADULTS!!!

Stop this BS, Fathers and Mothers DEMAND that you stop this SEX SCAM harming our children now!

Ken & Kathy Paton

\_ HAVE CAMERA 📶

WILL SHOOT

Specialists in Commercial & Legal Photography

425 West 68th Street • Kansas City, MO 64113 • 816-523-6100

August 23, 1994

## VIA FAX TO 202-632-1411:

Federal Communications Commission
Att: Mr. Keith Nichlos, Legal Counsel.
Mr. Robert W. Spangler, Deputy Chief
Enforcement Division, Common Carrier
2025 M. Street, N.W.
Washington, D.C. 20554

REF: Complaint #IC-94-07944 & IC-94-04271

Dear Sirs:

A news crew was flown from New York to my home in Kansas City, MO. for a national interview re the 800 Sex Scam operations, and I am now reviewing the tape.

The interview was produced by D.W.J. Television, One Robinson Lane, Ridgewood, N.J. 07450, 201-445-1711.

The length of the NATIONALLY DISTRIBUTED TAPE is 07:48 minutes, and includes interviews of Mr. Richard Metzger, FCC, Mr. Kenneth Sichau, AT&T 800 Services, Ms. Valerie Turner, Northeern Michigan University and myself.

AT&T, to their credit, has elected to terminate ALL 800 NUMBERS that charge for their services, c.g. SEX!

FCC spokeman, Richard Metzger, states that it is AGAINST FCC POLICY to, (quote), "... if your charge that kind of a call (800 Collect to Calling Number, that is a VIOLATION of our (FCC) rules." BUT 800 SEX SCAMS continue in KCMO!

THEREFORE, T AM ASTONISHED, while working late in Kansas City, Missouri, and watching WGN Television in Chicago, Illinois via our cable system that 800 numbers are still being flashed across the nation via cable systems!

EXAMPLES: WGN 1-800-810-SEXY 1-800-736-5600 1-800-967-LIVE

YOU MUST CLOSE LEGAL LOOPHOLE-ALL CARRIERS

As per MY FORMAL COMPLAINT, why have I not heard that MCI (and Sprint) have not followed the 'Good Corporate Policy' of AT&T re immediate termination of these SFX SCAMS?

I continue to read statements by the FCC, but the 800 Sex Scams are still operating as of August 23, 1994.

KEN PATON

. HAVE CAMERA WILL SHOOT

cc: ALI NEWS MEDIA

# Specialists in Commercial & Legal Photography

425 West 68th Street • Kansas City, MO 64113 • 816-523-6100

August 7, 1993

### SPECIAL: SEX SCAMS APPROVED BY THE FCC:

FEDERAL COMMUNICATIONS COMMISSION Mr. Keith Nichlos, Legal Counsel Mr. Robert W. Spangler, Deputy Chief Enforcement Div., Common Carrier Bureau 2025 M. Street, N.W. Washington, D.C. 20554

"HEADS-UP FASCIMILE"

fax cc: WHITE HOUSE @ fax #202-456-2461 URGENT TO STAFF/ bc

VIA CONFIDENTAL FAX TRANSMIT TO 202-632-1411:

REF: Complaint #IC-94-07944 & IC-94-04271

UPDATE: Fax Transmit Dated 08/06/94:

Dear Sirs:

Regarding the NEW BILLING we received from American Telnet Billing Serv., P.O. Box #790930, San Antonio, Texas 78279-0930, in the amount of \$73.86, plus tax, to My business number 816-523-6100.

THIS IS IN REFERENCE to an investigative call that I placed to 800-732-5739, d/b/a American Telnet Company.

A CASSETT RECORDING of this investigative recording was furnished to the Federal Communication Commission on June 14, 1993, via Federal Express Log #9125724930, and was received by FCC, in Washington, D.C. June 15, 1994, and signed for by D. Addison. MY SON IS 13 YEARS OLD!!!

I HAVE PRESENTED THIS CASSETT TAPE as an exhibit to FCC, proving that NO SAFE-GUARDS are maintained to protect our minor children from these SEX SCAMS!!!

A letter was written to American Telnet Billing Serv on August 6, 1994. See attached re previous fax letter.

I have not reviewed a copy of the tape, but I beg to defer from statement contained in American Telnet's letter.

THE FCC MUST ADMIT THAT THEY GOOFED, and return all 800 numbers to a free number, period!! 1 HANK S

Rospectfully,

Renneth W. Paton, Father, minor son

cc: Pers File

✓ Motel-6 Corporate

WHITE HOUSE HAVE CAMERA

WILL SHOOT

# MERICAN TELNET

ACCT NUMBER 816 523 JANUARY 27, 1994 DETAIL OF CHARGES

PAGE 6

163.81

CHARGES BEFORE TAXES FEDERAL TAX STATE AND LOCAL TAXES

163.81 .00

TOTAL

168.72

AMERICAN TELNET INC BILLING INQUIRTES 1-600-460-0307

ITEMIZED CALLS FOR AMERICAN TELNET INC -

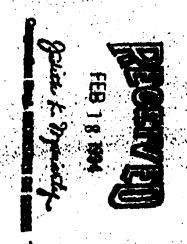
NO DATE TIME PLACE CALLED 1 12 31 1233AM PERSONALS CR CARD FROM KANSASCITY MO ACCESS TO

AREA NUMBER N+\_ MIN 6.0 **AMOUNT** 816 523 15.00 800 732 5739

Bos Reverse

THANK YOU FOR PAYING BY MAIL

AMERICAN '	<b>TELNET</b>	ACCT <b>NUMBER</b> Jánuary 27, 19 Detail of Char	816 523 94 GES	PAGE 7	AND THE PERSON NAMED AND ADDRESS OF THE PERSON NAMED AND ADDRE
NO DATE TIME	PLACE CALLED	AREA NUMBER T		AMOUNT	
2 12 31 1242AN CR CARD FROM	KANSASCITY MO	816 523 800 732 5739	4.0	11.96	
3 12 31 1248AN	ACCESS TO PERSONALS KANSASCITY MO	N	5.0	14.95	
CR CARD FROM	ACCESS TO	816 523 800 732 5739 N	6.0		
4 12 3) 122AN CR CARD FRON		816 523 800 732 5739	•••	15.00	
5 12 31 132AM	1 PERSONALS	N	8.0	<b></b>	
CR CARD FROM	KANSASCITY MO	816 523 800 732 5739	4.6	23.92	
6 1 2 1242AN CR CARD FROM	PERSONALS KANSASCITY MO ACCESS TO	N 816 523 800 732 5739	4.0	10.00	
7 1 2 156AM CR CARD FROM	PERSONALS	· N	7.0	17.50	
UK DARD I NO!	ACCESS TO	816 523 800 732 5739			•



Secretary of State-State of Missouri 250 Chine 2 Journs and 65475170 February \* \* \* \* \* BILLING INFORMATION \* \* \* \* \*

WE HAVE RECEIVED YOUR \$5.00 FEE FOR THIS ABSTRACT. THANK YOU.

\* \* \* \* \* \* MAIL TO \* \* \* \* \*

KEN PATON 523-6100

OFFICE OF THE SECRETARY OF STATE 615 EAST 13TH STREET KANSAS CITY, MISSOURI 64106

FEB 14. 1994

JUDITH K. MORIARTY SECRETARY OF STATE

(816)889-2925

ABSTRACT OF CORPORATE RECORD

STATE OF INCORPORATION CALIFORNIA . CHARTER NUMBER F00312468

NAME OF CORPORATION AMERICAN TELENET SYSTEMS. INC.

> NAME AMERICAN TELENET SYSTEMS. INC.

IN PARENT STATE

FORMER NAME NOT APPLICABLE

N/A EXTENSION DATE NAME CHANGED ON N/A

MAR 7, 1988 FILING DATE

PERPETUAL CHARTER EXPIRES MAR 7, 1988 DATE OF INCORPORATION

C T CORPORATION SYSTEM REGISTERED AGENT

906 OLIVE STREET REGISTERED OFFICE MO 63101 ST. LOUIS

AGENT RESIGNED ON N/A N/A AGENT CHANGED ON

> NOT IN GOOD STANDING - FORFEITED DEC 15, 1988 FOR: 1. NO ANNUAL REPORT

HESS AMURE DATA

STATUS

### Specialists in Commercial & Legal Photography 425 West 68th Street • Kansas City, MO 64113 • 816-523-6100

August 6, 1994

Federal Communications Commission Mr. Keith Nichlos, Legal Counsel Mr. Robert W. Spangler, Deputy Chief Enforcement Div., Common Carrier Bureau 2025 M. Street, N.W. Washington, D.C. 20554

By Fax: 202-632-1411 THIS PAGE ONLY

Formal Complaint IC-94-07944 & IC-94-04271

Dear Sirs:

I understand that some action(s) have been taken by your office against the 800 Adult Entertainment 'Services'.

In my personal opinion, these limited actions are not going to solve the problem. The Commission must immediately stop all pay services on the 800 exchanges, and go back to their original statis, and, if someone wants to make these calls, let them use the 900 service we can block!

Yestorday I received a 'Direct Billing' from American Telnet Billing Servs, P. O. Box #790930, San Antonio, Texas 78279.

I find certain statements contained in this letter EXTREMELY INTERESTING, especially ... "Someone with access to your telephone dialed a 1-800 number to request our services."

These charges were billed to my business number 816-523-6100 in Kansas City, Missouri, which have 900 blocks provided by the Southwestern Bell Telephone Company, These charges were originally a part of my Southwestern Bell Telephone bill.

The Commission must re-evaluate their original 'new rules', and stop all charges made by any 800 number.

Talking to Motol-6 Corporate, I understand that the FCC requires that they give their guests access to 800 number, but then, the FCC has allowed charges made by their guests that Motel-6 cannot possibly trace & \$250,000 and counting.

I am attaching billing received from American Telnet Billing Serv for your review and investigation.

-Yours-Nory\_truly,

Wenneth W. Paton, Sr.

Res # 816-523-4300

ENCLS. 2 KWP/kl

HAVE CAMERA



NOTE: I would like to be up-dated on the statis of my complaint to Commission. > Attached is a NEW BILL.

WILL SHOOT .

Specialists in Commercial & Legal Photography

425 West 68th Street \* Kansas City, MO 64113 \* 816-523-6100

August 6, 1994

SPECIAL "HEADS-UP" NOTIFICATION American Telnet Billing Serv P. O. Box #790930 San Antonio, Texas 78279-0930

by: U S Mail Fax # unknown

RE: Account Number 816-523-6100

Dear Sirs:

We are in receipt of your invoice in the amount of \$73.86, plus tax, with a 'bill-date-memo' of June 27, 1994.

According to your letter, (quote), "Someone with access to your (our) telephone dialed a 1-800 number to request our (your) services.

You also state in paragraph #2, that (quote), "The caller was instructed to leave a voice-capture message stating name and birthdate".

THEREFORE, would you please provide us with the NAME and BIRTHDATE of the calling party to your company, and what safe-guards are in place to verify age of caller.

You further state in paragraph #2, that, (quote), "Our computer retained the telephone number from which the call originated."

THEREFORE, to verify your statement, would you please furnish us detailed information on the "Caller-Identification" with the names of the telephone company(s) and long-distance carriers that provide this information to your computer.

If, someone did indeed place a call from our telephone, we request the aforesaid detailed information, before we can consider paying your bill for services rendered.

We do not have a CREDIT CARD and/or CONTRACT with your company to provide these services to above listed number.

Your immediate response is requested.

Singarely

Ken Paton

KP/kl Encl. 1

cc: Pers File

FAX RESPONSE REQUESTED

WILL SHOOT .

CERTIFICATE OF MAILING:

I, Ken Paton, placed in the US Mail on 08/07/94 this letter to American Telnst Billing Serveat PO 790930, San Antonio, TX 78279.